

8/21/35
SL 309
"B"
9550
8/21/35
STATE OF LOUISIANA :
PARISH OF ORLEANS :

BE IT KNOWN AND REMEMBERED: That,

WHEREAS, Oscar K. Allen, Governor of the State of Louisiana, acting under the authority of Act No. 30 of the Extra Session of 1915, as amended by Act No. 315 of 1926, and in accordance with the terms thereof, and acting for the State of Louisiana, as Lessor, did, on the 23rd day of October, 1934, make and execute an oil, gas and mineral lease to James A. Noe, of the Parish of Ouachita, State of Louisiana, covering certain parts of the Ouachita River and the bed thereof, Bayou Bartholomew and the bed thereof, Bayou Boeuff and the bed thereof, Bayou DeSiard and the bed thereof, Bayou D'Arbonne and the bed thereof, and Bayou DeLoutre and the bed thereof, all in the State of Louisiana and located within the Parishes of Union, Ouachita and Morehouse, as is more fully shown by reference to said lease, which is of record in the conveyance records of Union Parish, in Conveyance Book No. 82, page 371; of Ouachita Parish, in Conveyance Book No. 227, page 400; and of Morehouse Parish, in Conveyance Book No. 80, page 29; and,

WHEREAS, the said James A. Noe, Lessee of and under

the said lease, on the 9th day of November, 1934, entered into a contract and agreement with J. E. Farrell, M. S. Rhoades and D. J. Simmons, all residents of the County of Tarrant, State of Texas, under the terms of which he, the said Noe, transferred and assigned certain interests in said lease to the said Farrell, Rhoades and Simmons, respectively, an undivided one-half to said Farrell, an undivided one-eighth to said Rhoades, and an undivided one-eighth to said Simmons, reserving unto himself, however, the right to twenty locations, said locations not being definitely established in said assignment, all as is shown by said act of assignment which is of record in the conveyance records of Union Parish, in Conveyance Book No. 82, page 375; of Quachita Parish, in Conveyance Book No. 227, page 407; and of Morehouse Parish, in Conveyance Book No. 80, page 32; and,

WHEREAS, the said Noe, Lessee, did, on the 20th day of November, 1934, sell and transfer to Win or Lose Corporation, a corporation organized and existing under and by virtue of the laws of the State of Louisiana, domiciled in the Parish of Orleans, State of Louisiana, all of his right and interest in and under the said lease from the State of Louisiana, to him, the said Noe, dated October 23, 1934, and hereinabove referred to and described; the interest so conveyed consisting of a certain one-

fourth interest reserved by the said Noe in the assignment to the said Farrell, Rhoades and Simmons, and the ownership of twenty locations for drilling on the said property, as is more fully shown by reference to said act of assignment which is of record in the conveyance records of Union Parish, in Conveyance Book No. 82, page 382; of Ouachita Parish, in Conveyance Book No. 227, page 503; and of Morehouse Parish, in Conveyance Book No. 80, page 42; and,

WHEREAS, J. E. Farrell and associates, subsequent to the assignment by the said Noe under date of November 9, 1934, have performed and discharged all of the obligations undertaken and assumed by the said Noe in the said act of lease from the State of Louisiana to the said Noe, and especially have drilled and completed, on April 1, 1935, one gas well between Sections 23 and 24, in Township 20 North, Range 4 East, in Bayou Bartholomew, and have drilled and completed, on May 12, 1935, a certain gas well in Bayou Bartholomew, between Sections 26 and 51, in the same township and range, and have drilled and completed in Bayou Bartholomew, between Sections 38 and 21, same township and range, a certain gas well, on May 11, 1935, and have drilled and completed, in Bayou Bartholomew, between Sections 22 and 50, same township and range, a certain gas well, on June 1, 1935, and are presently engaged in drilling a gas well in Bayou Bartholomew, between Sections 15 and 49, Township 20 North,

Range 4 East; and

WHEREAS, certain matters, questions and controversies have arisen as to the proper interpretation of said lease from the State of Louisiana in favor of said James A. Noe, dated October 23, 1934, and as to the performance of certain covenants, conditions, obligations and stipulations thereof; and

WHEREAS, all of the said parties to the said original lease of October 23, 1934, and now holding under the same as assignees or otherwise, and the State of Louisiana, are desirous of clarifying, interpreting and determining the performance of the obligations thereof and amending said lease in the manner and to the extent hereinafter set forth, and it appearing that the proposed clarification, interpretation and determining the performance of the obligations thereof should be effected, is in the interest of the proper development of the area embracing the lands covered by the said lease and further is in the interest of the State of Louisiana, as conserving its natural resources:

NOW, THEREFORE, I, Oscar K. Allen, Governor of the State of Louisiana, acting under the authority of the provisions of Act No. 30 of the Extra Legislative Session of 1915, as amended by Act 315 of 1926, and in accordance with the terms thereof, and Lucille May Grace, Register of the State Land Office, Oscar K. Allen, Governor, concurring, both acting under authority of Act No. 9 of the Extra Legislative Session of 1928, and acting in behalf of the State of Louisiana, as lessor, do hereby agree with James A. Noe, Lessee under the original act of lease of

October 23, 1934, and J. E. Farrell, M. S. Rhoades and D. J. Simmons, and Win or Lose Corporation, the latter represented herein by James A. Noe- - - its duly authorized and acting President especially authorized to act herein by virtue of a resolution of the Board of Directors, dated August 21, 1935 ---, a certified copy of which is hereto attached and made a part hereof, that the aforesaid lease, dated October 23, 1934, and hereinabove referred to, shall be and the same is hereby adjusted, clarified, interpreted and amended in the following respects, to-wit:

Paragraphs numbered I, III and IV are hereby stricken from said lease and there is hereby substituted therefor the following:

*I.

Subject to all of the terms and provisions hereof, Lessee agrees to drill fifty wells on the herein leases premises.

The drilling of the first well is to commence not later than thirty days after the Lessee has procured all permits necessary and required for the drilling of such wells.

Lessee agrees to drill thirty of said wells on the herein leased premises, on tracts not hereinafter described in Items A, B, C, D, E, F, G and H, each of said thirty (30) wells drilled to be completed within eighteen (18) months from and after the commencement of the drilling of the first well.

The remaining twenty of said fifty wells are to be located upon certain portions of the property herein leased and particularly described as follows:

- A. All that part of the bed of Ouachita River beginning at the intersection of extension of the north line of Section 42, T.19 N., R. 3 E., and the Ouachita River and following the course of the river in a southerly direction passing through portions of sections 2 and 11, and being adjacent to sections 42, 43, 44, 45 and 14, all being located in T. 19 N., R. 3 E., and ending 1320' down stream from the extension of the north line of section 14, T. 19 N., R. 3 E., and the Ouachita River.
- B. All that part of the bed of Ouachita River beginning at the intersection of the north line of Sections 27 and 28, T. 21 N., R. 4 E., and the center of the Ouachita River and following the course of the river channel in a northerly direction through sections 22 and 21, T. 21 N., R. 4 E., to the north line of sections 21 and 22, T. 21 N., R. 4 E.
- C. All that part of the bed of Bayou DeLoutre beginning at the intersection of Bayou DeLoutre and the section line between sections 26 and 27, T. 20 N., R. 3 E., Union Parish, La., and following the stream channel towards its headwaters in a northwesterly direction through sections 27, 22, 21 and 20, all being in T. 20 N., R. 3 E., Union Parish, La., to the intersection of the stream and state highway no. 815 (now under construction) at the point where it crosses Hallick Lake.
- D. 4 All of that part of the bed of the Ouachita River lying within or bordering Secs. 29, 30, 31, 44 & 46, Township 20 North, Range 4 East, and further described as that part of the Ouachita River beginning at the north line of Sec. 29 and extending down stream with the course of the river to the west range line of Township 20 North, Range 4 East, all in Township 20 North, Range 4 East, between Ouachita and Union Parishes, Louisiana.
- E. 2 All of that part of the bed of the Ouachita River lying within the limits of Sec. 16, Township 21 North, Range 4 East, between Union and Morehouse Parishes, Louisiana.
- F. 2 A portion of the bed of Bayou Bartholomew lying within or bordering Sections 15, 21, 22 and 37, being that particular part of Bayou Bartholomew described as beginning at the northwest corner of Sec. 22, Town-

ship 20 North, Range 4 East, and extending down stream with the course of the bayou to the most northerly point where the east line of Sec. 16, Township 20 North, Range 4 East, intersects the bayou.

G. All of that portion of Bayou DeLoutre, including a meander called Curtis Lake, lying in Sections 26, 34 and 35, Township 20 North, Range 3 East, more particularly described as beginning at a point on the bayou where it is intersected by the west line of Sec. 26, Township 20 North, Range 3 East and extending down stream along the course of the bayou to the Ouachita River, all being in Union Parish, Louisiana.

H. All of that part of the bed of the Ouachita River lying in the North one-half of North one-half ($N\frac{1}{2}$ of $N\frac{1}{2}$) and in the North Half of South Half of North Half ($N\frac{1}{2}$ of $S\frac{1}{2}$ of $N\frac{1}{2}$) of Sec. 4, Township 20 North, Range 4 East, between Union and Morehouse Parish, Louisiana.

The last mentioned twenty (20) wells are to be located as follows:

Five (5) wells are to be located on the property set out in "A" just above.

Three (3) wells are to be located on the property set out in "B" just above.

Two (2) wells are to be located on the property set out in "C" just above.

Four (4) wells are to be located on the property set out in "D" just above.

Two (2) wells are to be located on the property set out in "E" just above.

Two (2) wells are to be located on the property set out in "F" just above.

One (1) well is to be located on the property set out in "G" just above.

One (1) well is to be located on the property set out in "H" just above.

For the purpose of development under the terms and provisions hereof, the property described in Item "A" above shall be deemed to consist of five equal units of approximately twenty acres; Item "B" above shall be deemed to consist of three equal units of approximately twenty acres each; Item "C" above shall be deemed to consist of two equal units of approximately twenty acres each; Item "D" above shall be deemed to consist of four equal units of approximately twenty acres each; Item "E" above shall be deemed to consist of two equal units of approximately twenty acres each; Item "F" above shall be deemed to consist of two equal units of approximately twenty acres each; Item "G" above shall be deemed to consist of one unit of approximately twenty acres; and Item "H" above shall be deemed to consist of one unit of approximately twenty acres. The items are all shown in red on the attached plat, marked "A" for identification, and the land embraced in each item is subdivided into said units and are marked Unit A-1, A-2, A-3, A-4, A-5, B-1, B-2, B-3, C-1,

C-2, D-1, D-2, D-3, D-4, E-1, E-2, F-1, F-2, G-1 and H-1.

Each of the twenty wells hereinabove referred to drilled by Lessee under the terms and provisions of this lease shall perpetuate said lease, insofar as it affects the unit upon which said well is located, so long as said well is capable of producing oil or gas in paying quantities.

In the event Lessee has not commenced the drilling of a well on each of the units hereinabove provided for on or before the 23rd day of October, 1935, this lease, as to such unit or units upon which a well or wells has not been commenced, shall terminate as to both parties, unless the Lessee on or before that date shall pay or tender to the Lessor, through Register of the State Land Office, at Baton Rouge, Louisiana, the sum of Seven Hundred Fifty and no/100 (\$750.00) Dollars for each of such units then undeveloped with respect to which Lessee wishes to continue said lease in full force and effect, which payment shall operate as a rental and cover the privilege of deferring the commencement of a well or wells on such unit or units for a period of twelve months from said date. In paying or tendering the aforesaid deferred rental payments, should Lessee elect not to maintain said lease in force by said payment as to each and every unit upon which development has not commenced as of the date when such payment is due, Lessee shall

then accompany such payment or tender with a detailed statement showing the particular unit or units covered by the rental payment then being made. The payments or tenders of rentals may be made by check or draft of Lessee, mailed and delivered to the Lessor, as above noted, on or before such date of payment. In like manner and upon like payments or tenders, the commencement of said wells or any of them may be further deferred for a like period for the same number of months successively, provided this lease shall not, in the absence of production, as otherwise herein noted, be kept in force as to said tracts described in Items "A,B,C,D,E,F,G and H" above, through said payments for a period longer than five years from October 23, 1935; and it is further provided that the lease herein granted, in so far as it embraces and affects the twenty locations hereinabove described, shall continue in full force and effect until October 23, 1940, and during said time shall not be forfeited or annulled as to all or any of said units or locations, for any cause whatsoever other than the failure to pay the annual rentals or renewals hereinabove provided for.

A well shall be deemed to be commenced when the first material for drilling operations is placed on the ground.

If in the exercise of the rights herein granted, oil, gas or other minerals be discovered, then this lease shall continue in full force and effect so long as such oil, gas or other minerals can be produced by the Lessee.

Lessee may drill as many wells (additional to the fifty wells above mentioned) as Lessee may choose, but this lease shall not be construed so as to create or impose upon Lessee any express or implied obligation to drill such additional wells; and all wells drilled by Lessee (including the first fifty and any additional wells) shall be drilled at such locations as Lessee may select."

"III.

Insofar as this lease covers and affects property not covered by Items "A,B,C,D,E,F,G and H," said items set out particularly in Paragraph I hereof, it is agreed after the first well has been drilled to completion, should Lessee elect that it no longer cares to carry on drilling operations, then the said Lessee is granted the right to cease such operations, and Lessee shall, if it so elects, retain its rights in and to ten (10) acres of the property for each and every well which Lessee shall have drilled thereon in an effort to produce oil or gas therefrom; provided that said well or wells shall be located on that portion or portions of the property so retained by Lessee; and provided, further, that Lessee's rights in and to that portion of the premises so retained shall endure only so long as Lessee shall produce oil, gas or other minerals from one or more of said wells on said premises in paying quantities.

Should Lessee at any time elect to abandon operations as above provided, then Lessee shall notify Lessor in writing of its intention to so do, and shall specify what portion or

portions of the said premises the said Lessee is entitled by virtue hereof to retain and operate; and Lessee shall, as soon as practicable thereafter, execute any instrument or instruments necessary to a proper release of the undeveloped portion of the premises."

"IV.

Insofar as this lease covers and affects property not covered by Items "A, B,C, D, E, F. G and H," said Items set out particularly in Paragraph I hereof, it is agreed after the first well has been drilled to completion, should Lessee elect to abandon drilling operations hereunder, then the said Lessee shall be entitled to retain its rights in and to forty (40) acres for each and every gas well from which it shall at such time be producing gas in paying quantities; provided, also, that any well or wells so producing shall be located on that portion or portions of the property retained by Lessee; and provided, further, that Lessee's rights to so hold such portion or portions of the said premises shall endure only so long as Lessee shall produce therefrom gas in paying quantities."

Except as herein clarified, interpreted and amended, said lease is to remain in full force and effect.

IN WITNESS WHEREOF, the State of Louisiana, through Oscar K. Allen, the original lessee, Lucille May Grace, Register the State Land Office, Oscar K. Allen, Governor, concurring,

James A. Noe, and the Win or Lose Corporation, through James
A. Noe, its P r e s i d e n t - - - - - , have executed
this instrument, in quadruplicate originals, in the presence
of the undersigned competent witnesses, and before me H. Carey
Cornish, Notary Public, on this 21st day of August, 1935

Lucille May Grace
Register of the State Land
Office of the State of
Louisiana

WITNESSES:

G. M. Wallage

Louisiana G. Motley

APPROVED:

Oscar K. Allen
Governor, for the State of
Louisiana.

Oscar K. Allen
Governor, for the State of
Louisiana.

James A. Noe

WIN OR LOSE CORPORATION

By James A. Noe
President

H. Carey Cornish
Notary Public

(SEAL)

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IN WITNESS WHEREOF, J. E. Farrell and M. S. Rhoades, have executed this instrument in quadruplicate originals, in the presence of the undersigned competent witnesses, and before me, Mary Williames, Notary Public, on this the 24th day of August, 1935

WITNESSES:

T. O. Harris

J. E. Farrell

Marvin H. Brown

M. S. Rhoades

Mary Williames
Notary Public

Tarrant County, Texas (SEAL)

IN WITNESS WHEREOF, D. J. Simmons has executed
this instrument in quadruplicate originals in the presence
of the undersigned witnesses and before me, Geo. Gunby,
Notary Public, on this 26th day of August, 1935.

WITNESSES:

Clyde A. Brown

D. J. Simmons

Frank O. Looney

Geo. Gunby
Notary Public

(SEAL)

"WHEREAS, in order to consummate certain negotiations, it has become necessary to clarify, interpret and amend certain terms and provisions in the oil, gas and mineral lease from the State of Louisiana to James A. Noe, and the act of assignment from James A. Noe to J. E. Farrell, M. S. Rhoades and D. J. Simmons, so as, among other things, to definitely describe the tracts upon which shall be made the twenty locations reserved in the act of assignment from James A. Noe to J. E. Farrell, M. S. Rhoades and D. J. Simmons, above referred to, and the performance of the covenants, conditions, obligations and stipulations of said lease:

"NOW, THEREFORE, BE IT RESEOLVED: That James A. Noe, in his capacity as President of the Win or Lose Corporation, and for and on behalf of said corporation, is hereby fully authorized to enter into an agreement with the State of Louisiana, clarifying, interpreting and amending the terms and provisions of the aforesaid oil, gas and mineral lease, dated October 23, 1934, and to enter into an agreement with J. E. Farrell, M. S. Rhoades and D. J. Simmons, amending the aforesaid act of assignment, dated November 9, 1934, as in his discretion he may deem to the best interest of this corporation, and so as, among other things, to definitely describe the tracts of land upon which shall be made the twenty locations reserved in the act of assignment, and to agree to any amendments or modifications of the terms and provisions of said lease and assignment as in his judgment may seem fit and proper; it being the intent hereof that the said James A. Noe, President, be and he is hereby fully authorized to do for and on behalf of this corporation any and all things necessary to accomplish the true intent and purpose hereof."

I hereby certify the above and foregoing to be
a true and correct copy of a resolution passed at a
meeting of the Board of Directors of Win or Lose Corpora-
tion on the 21st day of August, 1935.

THIS, the 21st day of August, 1935.

Seymour Weiss
Acting Secretary

#211109 State of La to James A. Noe, et al
amendment to Lease

Filed August 28 1935
at 1 o'clock P.M.
recorded in Con. 225
Page _____

A. H. Thompson
By. Clerk & Recorder

three copies with endorsements
A. H. Thompson, Secy

